

# 75 YEARS

## *of Progress*



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GEN-M

by

**COL. R. S. McLAUGHLIN**  
President  
**GENERAL MOTORS OF CANADA LIMITED**

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REMARKS OF  
*Colonel R. S. McLaughlin*  
PRESIDENT OF  
*General Motors of Canada, Limited*  
AND GUEST OF HONOR  
AT A JOINT MEETING AND DINNER  
COMMEMORATING  
*Seventy-Five Years of  
Transportation Progress*  
TENDERED BY  
ROTARY CLUB OF OSHAWA  
OSHAWA CITY COUNCIL  
OSHAWA CHAMBER OF COMMERCE  
KIWANIS CLUB OF OSHAWA  
KINSMEN CLUB OF OSHAWA  
AT THE  
GENOSHA HOTEL, OSHAWA  
MONDAY, SEPTEMBER 18, 1944

# Compliments

*Dr. R. S. McLaughlin*

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GEN-M

Commemorating  
75  
Years of  
Transportation Progress  
1869-1944

Mr. R. S. McLaughlin  
PRESIDENT  
General Motors of Canada, Limited



OSHAWA is indeed proud of the name "McLaughlin" and reveres the high standard of citizenship that it represents ... throughout the years it has meant progress not only to Oshawa, but to the whole Dominion... and even beyond. The enviable record established by your family through its contributions to the welfare of this city and its citizens will be enduring... the great transportation empire which has grown from the ideals so firmly planted by your father in the village of Enniskillen in 1869 and carried on by you and your associates, has proved to be a blessing to mankind.

May God grant that you may long continue to enjoy the fruits of your labors.

Elizabeth Street, Oshawa  
September 14, 1944



*Attest*

Mayor

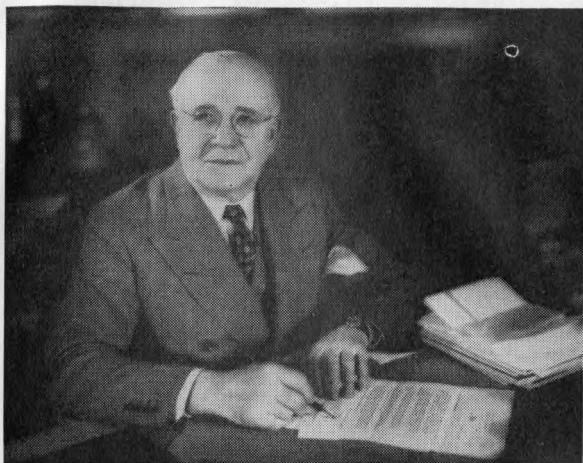
*J. E. Shaw*  
City Clerk

*Tom. Brooks*  
*Harry L. Burns*  
*Michael. Shaw*  
*James L. Hargrave*  
*Frank McCallum*

*Clifford H. Homan*  
*J. A. Colman*  
*Conley Homan*  
*E. L. Bather*

An illuminated address presented to Col. R. S. McLaughlin  
at the dinner given in his honor,

10310759



COL. R. S. McLAUGHLIN

## FOREWORD

*This is the story of General Motors of Canada—the enterprise from which it grew and the great industry that it has become—told by the man who knows the story best, Colonel R. S. McLaughlin.*

*In Colonel McLaughlin's words: "When you look today at General Motors plants with their 14,000 Canadians—building 130 million dollars worth of vital war materials a year—you see what can be done in a country where there is incentive and opportunity. The late Robert McLaughlin founded a carriage shop at Enniskillen, Durham County, Ontario, in 1869. This business grew by high standards, hard work and sacrifice. Its development is one of the great Canadian success stories. It is proof that if we as Canadians will make the most of our opportunities, our future is limitless."*

*The following pages re-tell in more detail the progress of a great industry, that has grown up with Canada; as given by Colonel R. S. McLaughlin at an anniversary dinner in his honor.*

**COL. R. S. McLAUGHLIN:** I have tried to plan a few words to tell you about the origin of our company and to touch on the many high spots which I have been privileged to see, and also in connection with the many fine people participating. I think you are all very well acquainted with the origin of the company, but for those who do not know it I hope I may be forgiven if I review it from away back at the beginning. I shall try to not keep you too long.

My grandfather, that is my father's father, came from County Tyrone in Ireland in the year 1832. My mother's folks came two or three years later from Perthshire, Scotland. They happened to settle within a few miles of each other, hence yours truly. My father was born in the woods, my grandfather having been granted Crown Land. My father was the oldest of the family, and of course he participated in the clearing of the land. As he grew older, naturally, he became more vigorous in that work, and the farm spread as it was cleared. And, with the great thrift which had to be exercised by the early settlers, they managed to get along very well. There was one story I remember hearing my father tell; that they used to burn hardwoods from which he made potash, and the potash was sold in the great City of Bowmanville. That was about the only cash my dear old granddad could get.

Later on when my father became a suitable age for marrying, he decided to take unto himself a bonny Scotch lass—and she was bonny. He was given fifty acres by his father, and he had to clear most of it. He took the logs away and had them sawed for lumber and he built his own house. When he built his house he built a driving shed. He didn't have much to put into it, only some tools and things, but he built a bench in that driving shed, and being a wonderful judge of timber, as he always was until his dying day, he selected some of the finest bits of wood, and evenings, instead of going to the movies or something like that, he busied himself making axe handles.

Now, it seems to me that that is a wonderful thing. There is a boy brought up in the woods without anyone to show him any skills, or anything like that, and he was able to hew out that wood and make the best fitting, the most beautiful axe handles—so the merchants in Bowmanville said—that you could get anywhere. And they were of the best materials. He made quite a lot of them in his spare time, and it was a source of revenue.

Then he decided one day that he would build himself a cutter. It became known at the Kirk that he was doing this, and he built two. He built them well, and they were beautifully de-

1870

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signed. He showed one of them at the fair. He had to wait for a travelling blacksmith to come and put the ironwork on them. He painted them himself and he delivered the one to his customer just barely on time because the blacksmith had been late.

#### THE FIRST CARRIAGE SHOP

This started his brain working, and he decided to build a wee shop, a little blacksmith shop in front and a little place behind where he could work in Tyrone. This he did. But he outgrew that very quickly, and then he decided to move to Enniskillen in 1869. He put up a larger shop and a fair sized blacksmith shop. You know the little waggon shops; you all know what they are like. His was just a little bit larger. He had the separate smith shop. You can see it in the picture. And he put the town bell on the top of it. There he started in to make waggons and sleighs and then carriages.

Of course, he had to have a travelling trimmer or carriage upholsterer come to trim the vehicles, and that was no less a person than the late J. B. Keddie of this city. He had fine materials which he brought with him, and an apprentice or two. He did beautiful work, and he helped my father win those prizes which George James and the others know, which he took at Bowmanville.

The business grew, and according to that picture he had as many as eight people working for him in Enniskillen. But Enniskillen was a long way from any railway and everything had to be carted out there. There were no banking facilities and very few conveniences. So in 1876 he decided he would come to Oshawa. He acquired a lot, and you see the picture of that, just south of the Town Hall. He put up a smallish three-storey building and a separate brick blacksmith shop and proceeded to make carriages. The opposition of those days very kindly gave him six or seven months to live, but he didn't follow their guess very quickly. He kept going, and in due time they disappeared. But in 1876 he had the great misfortune—and so did we all—of losing our dear mother.

#### AN IMPORTANT TURNING POINT

We moved to Oshawa and he started in to make those beautiful carriages, dropping the wagons, and went in for the lighter vehicles.

Early in 1880 he conceived the idea that he could make a better riding buggy gear than anybody else. Now, some of you don't know what a gear is. It is a chassis. You would know what a chassis is for a motor car. The gear was the same on a buggy. For this gear he cleverly designed springs and some very fine couplings, and with rubber



1880

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and brass washers on the axles, a thing that had never been done before. And there was the wonderful fifth wheel that lets you turn. The fifth wheel became the essential part of it. He patented that. Everything he did, he did well. He put in the finest quality. For instance, the shaft couplings were not good enough for him in ordinary iron and he had them made out of Norway iron which cost him about five times as much. Isn't that right Tony?

*Anthony "Tony" Foster:* "That's right."

*Col. R. S. McLaughlin:* Now, I am referring to the gear, because after years of thinking it over, it seems to me that while going into the motor car business was all important—first Buick and then Chevrolet—that the critical time and the turning point in the history of our company was right when he produced that patented buggy gear.

Now, we had many friends, of course, coming to sell us bills of goods like our very dear friend Anthony Foster at the head of the table. He was welcome any time and under any conditions. Both my father and my brother over the years loved him. Any time he came to Oshawa, if we couldn't give him a big order, we gave him the biggest order we could give him because we liked him. We bought everything of that kind we

could from him, upholstering materials, general hardware of all kinds, and so on. When this gear was produced, "Tony," we called him affectionately, came to Oshawa and looked at it and said, "By Jove, Mr. McLaughlin, that is a fine looking gear. I could sell some of those gears." Well, father said "All right, if you can sell them, we will sell them to you." So Tony went back to his firm in Guelph, to Mr. Kloefler, and told him all about the beauties of this gear. And Mr. Kloefler became interested and finally he and Tony came to Oshawa to see my father. I was a young cub of twelve or thereabouts. George was nearly three years older than I, and my brother Jack still older. He came down and wanted to buy the patent. Well, my father explored things to see what he had in his mind, and he offered my father \$10,000 for it. Now, I want to tell you that \$10,000 was a lot of money in those days because the business was mighty small; the volume was small. When father came home at noon and he said to us, "Boys, I have been offered \$10,000 to sell the patent on the gear. That is a lot of money. Will I take it?" With one voice we all chipped in and said, "No, don't sell it." That was a nice thing for father to do, wasn't it? So he went back and told kindly Mr. Kloefler that he wouldn't take his offer, and then he made a deal with him for the exclusive

sale of the gear across Canada on condition that he ordered a thousand of them to be taken over a period of two years. The agreement was signed at that time and carried out. I think Tony, in his travels across this country, must have sold a great many of them. How many gears did you sell? You must have sold twenty thousand?

*"Tony" Foster:* "Pretty near that."

*Col. R. S. McLaughlin:* "Pretty near that." To my mind, that was a very important time. Outside of my father's early decision to start making carriages, it was the turning point in our career. If we had sold that gear, it would have been taken to Guelph and manufactured in Guelph, and we would have gone on with the carriage company only. But we didn't sell it. We had the gears to manufacture, and we enlarged the plant's size and the blacksmith shop was extended, another storey was put on top of it.

#### STEADY GROWTH

In the wood shop, my dear friend Dave Haverson was in charge of it for many years. Because of the fact that the gear was so well and favorably known from coast to coast some of the local carriage makers found it difficult or impossible to carry on making the kind of carriages they

were making so they bought two or three of our gears to use on their own carriages, and they began to write in to us for completed carriages.

And the next step was simple enough. We put on a traveller. He was no less a person than dear old John Henry, the uncle of Dr. F. L. Henry. Later on the sales staff was augmented by William Stevenson, and later on by Manley Rose, and by T. A. Chadburn, father of the dear boy who was unfortunately killed recently. That was another great turning point, I think, in our industry.

I would like all of you to have a look at dear Tony here, because he is Guinea Gold, and we all knew it. We welcomed him always; when he came in he always came to the "Governor's" office. And I don't say that disrespectfully because I called him that for thirty-five years. Tony would always come to the Governor's office, and it wouldn't be five minutes before George and I were in to see Tony. Tony put that gear on the market. I wanted you all to have a look at the man to whom I think Oshawa owes a great deal of credit, and he is right here tonight. Stand up, Tony (*Applause*).

And that brings us up to 1887—which would make this year my 57th year in our business.

Now, a great event happened in 1887; I joined my father as a full-fledged apprentice. George

1887

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had already started his apprenticeship earlier. I however wasn't sure whether to go on and become a hardware merchant. I went in as a clerk in the hardware store of Dan Cinnamon for five months. Later on, I had an idea I would go on and become a lawyer. I looked a little that way (*Laughter*). Then my late dear brother, J. J. McLaughlin, the founder of Canada Dry, who was a chemist, persuaded me to go in with my father. I still have a lovely letter from him in my desk in this connection. So I went in as a full-fledged apprentice. No holds were barred. I just swept the floors and did all the menial work that any apprentice would do. My hours were the same hours. Everybody those days worked fifty-nine hours a week except the bosses; they worked seventy-nine or eighty hours. They didn't get paid for overtime, either. I served my three years and became a journeyman upholsterer. I could do anything. I could do it today. I worked with my hands. I am a journeyman upholsterer today, and I can do it and command top wages. I learned to stitch, to make wax ends and lay out jobs and make cushions, to sew, and everything right from start to finish.

#### LEARNING THE BUSINESS

After I had served my apprenticeship—and I think this is another important milestone, not

only for myself, but for my father and George and the boys—I wanted to be sure I had learned my trade. So I took \$20 and went to Gananoque and took the ferry and went to Watertown, New York and went to a great company there—they were great then—the H. H. Babcock Company. They made beautiful, magnificent carriages. I went there and applied for a position as anybody else would, as an upholsterer, and got a job right away and got top wages to my surprise, \$1.75 a day. Those were top wages for journeymen upholsterers in those days. I stayed there for two months because I found it most interesting.

The superintendent of the whole plant came down to see me one day, after I had been there two weeks, and he said, "Are you McLaughlin from Oshawa?" I said, "Yes, sir." He said, "What are you doing here?" I said, "I am just testing my apprenticeship. I am out to learn a little more and look around." He said, "I was born in Brooklin." The name was Rich. He was very kind to me and he gave me the run of the plant and helped me in every way possible. And the ideas I absorbed there, both of plant management and design and quality, have never left me. I went from there to Cortland, New York and Binghamton, where I also worked for a while. Then I took a flier in New York and arrived

1892

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home with only fifteen cents in my pocket, and I didn't send home for any money, either (*Laughter*).

Now, that trip started me out as a wanderer. I was never satisfied after that to stay home. My holidays were always spent in visiting plants in the United States, and during some of those visits I made the acquaintanceship of some of the leading men in the industry, and learned a lot from them and established permanent friendships.

When young, I wanted to become a draftsman and took lessons from a correspondence school. One day my father said to me, "If I want a draftsman, I can get a draftsman. I want you to stay here and work. I want you boys to learn a little more. Every little bit added to what you have makes a little bit more."

#### THE PARTNERSHIP

In 1892 I was twenty-one and my father very graciously took both George and me into partnership. And in the same year he took on Mr. William Parks, who became foreman of the blacksmith shop for my father. He stayed with us for quite a number of years, in fact, until his death. Then his estate was wound up and paid off.

Our business was growing fairly fast. Our capital was quite small. My father started with nothing but his hands. We had to run things

very, very closely. Fortunately, through my father's good reputation as a man, a good living man, a very religious man, he was granted a very reasonable line of credit at the Dominion Bank. That was the leading bank in town at that time. Shortly after, some local men formed the Western Bank, and they asked my father if he would change our account to the Western Bank. They offered great inducements which appealed to him and we moved our account to the Western Bank where it stayed until it was bought out by the Standard Bank, and then we divided the account between the Dominion Bank and the Standard Bank. But money wasn't easy to get, by any means. It was very, very difficult to get.

#### THE BUSINESS EXPANDS RAPIDLY

When we started shipping by the carload, which was something very new, we had to "team" everything. We put the body on the gear and the wheels and the shafts, and got horses and trailed them down to the Grand Trunk Railway. And the box cars they used were little, wee, dinky things. Instead of using a box car we had to build a body right over the carriages. We used to get in a maximum of twenty-five in a car. The streets weren't paved. They were deep in mud, and the situation was becoming rapidly worse. The Rathburn Company of Deseronto,



1893

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a very fine firm, had wanted to build a railway in Oshawa. Despite opposition the citizens voted and the council voted to get the railway. So we got a railway here in Oshawa. Perhaps the town was pretty generous in allowing the railway the use of so many streets, but in those days that was being done right and left. The Oshawa Railway came in.

And then we found we were handicapped for room, and there was a factory which had been built by the Hon. T. N. Gibbs to manufacture furniture. That business failed, unfortunately, and it was succeeded by the Heaps Manufacturing Company, another furniture company, and that business failed, unfortunately, and the factory was left idle. It was suggested that if we didn't have room, perhaps we could make a trade. After negotiations we made a deal and traded for the old Heaps factory or Gibbs factory, turning in our plant. So we moved. Everybody said, "You will be lost there; rent us some of the building." It wasn't two years before we had to put an extension on it. Just about that time our business really began to grow. We put on a lot of travellers as the business expanded.

In 1896 my brother George and I, and father—decided it would be a wise thing to open a branch at St. John, New Brunswick, and George packed up and went down there and was gone several

months and did a splendid job in the lower province, and then came back.

Terrific events happened in 1898 which changed my whole life. I was twenty-seven years old and I was still a bachelor. I went out to Tyrone—that is a dangerous place for my family; George got his wife there. I went out on my bicycle to Tyrone to visit my uncle who was on the old homestead and he asked me to come to church. I went to church, and I didn't see the Minister or anybody there that day. There was something up in the choir that got my eye—oh, boy—and it just knocked me over. I had known the young lady through my sister. She had been at our house and I didn't pay any attention to her then, but this day something got me and I weakened. I spoke to her afterwards. I said, "I am coming up next Sunday with the horse and buggy. Will you go for a drive?" She thought she would. She had the Bible Class to teach that afternoon. Anyway, I went out with the horse and buggy and we went out for a drive. Well, we made a lot of progress, and the next Sunday I went out again and saw her. Now, when I went out the first time to see her I had a Vandyke beard. I had a real Vandyke beard, a big moustache. This time when I went out I guessed my chances might be better if I took off the beard, so I shaved off the beard and got on my trusty bicycle and went

out and asked the lady to marry me. That was over forty-six years ago. That was quite an important event. I thought I would tell you about that.

#### THE BIG FIRE

Now then, we come to the great disaster of 1899. In 1899 the factory burned to the ground, right to the ground. It was full of stock and inventory. There was no fire protection. We thought we had some with a tank on the top but the floors were thin and the fire went through. The only water we ever did see wouldn't go up to the first floor because it had to be forced from the Town Hall in the hose all the way by the little dinky fire engine. There was no chance at all. That was a terrible blow to us. It meant a very heavy financial loss over and above our insurance. It was a great setback. We didn't know what to think about it. Immediately the telephone lines began to buzz. We got letters and telegrams from all over because in those days every town and village was bonusing factories to come and locate in the town. And we had some wonderfully attractive offers to desert the old town, but we didn't. And we didn't do it because the citizens made the beautiful gesture to us of offering us a loan of \$50,000. We appreciated it so much we accepted. We called in an engineer,

Mr. M. J. Butler of the Rathburn Company, who designed the two main buildings.

In the meantime I scouted around and at Gananoque found plant facilities. By keeping a double-decked plant running two shifts we produced in very few months—starting from absolutely zero, without a pattern or drawing of anything—over three thousand vehicles by the middle of July. I thought that was a pretty good record. And I always told the boys who came with me that we did a good job to hold the men and the business together. And we came back and pitched in to help finish up the new factory.

In 1901 we changed the formation of the company, creating a limited company known as the McLaughlin Carriage Company, Limited. Previous to that it had been a partnership. Now, our staff was a very economical one. We all worked very hard and diligently and very long hours. It wasn't until 1900 when we got going in the new plant that I took on an assistant, and that was William Coad who came to me from High School. And George couldn't stand that very long and about a year afterward he got Jack Beaton. This was the entire office staff at that time with the exception of Mr. Oliver Hezzlewood. He was a great tower of strength to my father and to us. He was a school teacher originally and for a time came after school hours and

1907

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kept the books and looked after the office work. He did that for three or four or five years and then my father hired him full time. About this time we hired a stenographer—our first.

When we had built the new factories, we had built them of mill construction, five inch floors with castings on the main posts so that in the event of fire, the walls would remain. We also put in an underground water tank, a big fire pump with a six inch pipe outlet. We also put in at the same time a generator and made our own electric light. It wasn't until 1905 that the City of Oshawa had waterworks installed.

#### BEGINNING THE MOTOR CAR BUSINESS

In 1907—or about 1906—I became very uneasy. I was disturbed by the competition of the motor business. In the early part of 1906 I had George practically sold on the idea that the motor car had a place in the world. But I couldn't sell the Governor. We never sold him. However, I got George sold. Oliver Hezzlewood did not at that time have any interest in the company. We still thought a great deal of his advice and his judgment.

In 1907 I took a trip over to Buffalo. I had a letter of introduction to Mr. Pierce, President of the Pierce-Arrow Motor Car Company. His was a magnificent car and very high priced. I had a lovely visit with Mr. Pierce. He took me up

to the Club and gave me a lot of fatherly advice. He said, "Don't attempt to build this kind of car. You are used to production; you are used to popular priced carriages. The future of the motor car business is the popular priced car." He had it sized up correctly. "If I were you I would make something of that kind." I thanked him very much. He took me through the plant himself and showed me what they were doing. I also went over to the E. R. Thomas Company in Buffalo. They were making the Thomas Flyer. He could not talk to us at all because of his arrangement with Canada Cycle and Motor Company who were making the Cleveland Bicycle. Later, I saw the Reo Company, spending two days there, and then went to Cleveland to the Peerless Company. Later again, I went to Detroit to see the Thomas Detroit Works. They had a strictly assembling business which looked very attractive. Then I came home. I was bewildered a bit. Mr. Matthews of Gananoque who was a very great chum of my father came up and said a friend of his in Jackson, Michigan, was making a motor car. He had been in the spring and axle business and he suggested we go and see him. So Oliver and I got on the train and went over to Jackson and saw Mr. Lewis, the President of the company. He was a very fine old gentleman. He would do anything in the world for us. He

1907

thought that it was quite possible for us to manufacture engines and most of the parts in Oshawa, and he would help us and give us an engineer and that sort of thing. He made us a proposition, so much cash, but I thought as a matter of discretion we ought to try out the product. So I ordered a chain driven car and a shaft driven car from him. They shipped them over and Oliver took the chain driven car and I took the shaft driven one and we gave them a test. We found out much to our regret and disappointment that as an automobile they were a good job of plumbing.

#### SENTIMENT IN BUSINESS

They say there is no sentiment in business. It is all tommyrot. It is full of it.

When in Jackson, having breakfast, I saw Mr. Durant and his factory manager. When he saw me he said, "Sam, what are you doing here?" I told him. He said, "My friend, Charlie Lewis is a very dear friend of mine. You get his story, and if you are not satisfied, come and see me." I thought that was fair enough. When we found we didn't want to make that other car I went up to Toronto to the Dominion Automobile & Supply Company and bought a two-cylinder Model F. Buick from that company and paid them \$1650 for it and brought it home. Well, I wasn't all the way home before I began to notice the

difference, and the result was we decided that was what we wanted. We were convinced that the Buick was a good stout, fine car. So I wired my friend, Mr. Durant, and went over. He was very glad to see me, and we had a nice visit. We had been interested in the carriage business together. I had known him since 1896. He said, "Well, this is the car; this is the car for you; you should have this car." And he finally turned me loose with his Cost Department and Factory Manager. I spent two days and a half and we went over everything. I thought we had a scheme figured out, but when Mr. Durant and I got together and sharpened our pencils it just wouldn't work. So I said, "Mr. Durant, I guess we will have to separate. I wish we could get together." He said, "So do I, Sam; this is the car."

I went home and talked it over with George and the Governor and we decided we would make our own car. Among the various engineers I saw was Arthur Milbrath of Milwaukee, so I had a talk with him and hired him. I brought him home and we set aside the plant on the west side of Mary Street and made it into a machine shop with automatic lathes, planers and shapers and started to make one hundred cars. We had machines by the dozens. We had to go to Cleveland for engine castings. There was a firm



1907

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there with a reputation for high quality. We ordered one hundred sets of cylinders, pistons, crankshafts, and we got started, and right in the middle of it all—we had a beauty laid out, with a radiator—I spent a lot of time on the radiator—when Arthur took sick. He contracted pleurisy quite seriously. I wired Mr. Durant and asked him if he could lend me an engineer, my man was sick. And he wired back, “Will you be home tomorrow; I am coming over?” And he came and brought two of his head men and came in in the morning. We had a fair in town that day but nevertheless he found his way up to the office. He had thought it over and he had the solution to the thing we couldn’t overcome in our figuring. Inside of five minutes I said, “That will work.” And he said, “I thought it would.” And he and I went in the Governor’s office and George came in and Oliver and we settled that in about five minutes. The agreement was only a page and a half long. It was a model agreement for you lawyers, and it worked. It held fifteen years, a fifteen-year contract. That meant, of course, that we were going to use the Buick engine. We had to clear out our machine shop. We were that near to manufacturing motors here. I have often thought it was God’s blessing we didn’t, because the motor business is a volume business. If you don’t have the big volume you are sunk. You

also have to consider the motor bodies and fenders. Chevrolet Company expends for dies for the bodies and fenders, I think, \$8,000,000 or \$9,000,000 per year. Now, divide one million cars into that and it is not much per car; but divide 20,000 cars into that and how much is it?

#### FIRST BUICK PRODUCTION BEGINS

So we started in to make Buick cars.

In 1907 we produced, in the various models, 198 cars; that was some quick, good work. In 1913 we allotted eight of our employees stock in the company.

I was made a director of General Motors Corporation in 1910 and I have been associated with it from the very beginning, intimately. But in 1910 and 1911, owing to the tremendous expansion of the business, Mr. Durant went a little beyond his amount of credit by extending the business of the Buick Motor Car Company to 50,000 cars, which was something unheard of in the business at that time. He bought the Cadillac and Olds motor car. But the finances were a little close. Consequently, when he secured an option on Henry Ford's entire business for \$9,500,000, which he had for 48 hours—I was a director of the company at the time—and he went to some bankers and wanted to get \$40,000,000 to carry on the business, they wouldn't let him

1911

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have it. And we lost that opportunity. At that time we began to have a little fun with the creditors. But to make a long story short, everything worked out satisfactorily when another group of bankers in New York agreed to loan us \$15,000,000. That straightened it out, but they did it on the condition that they were to name the Chairman of the Board and appoint the directors, which let Mr. Durant out. They were afraid that he was too much of a plunger. That agreement was for five years, so Mr. Durant was in durance vile; he had nothing to do, and his mind was so active he started up the Chevrolet Motor Company independent of General Motors. I loved Mr. Durant and saw the dear old fellow when I was in New York two weeks ago, but he has had a stroke. He was a wonderful character and was in many ways the most far-sighted man in the motor industry.

He formed the Chevrolet Motor Company, and he bought a plant out on the Grand Boulevard in Detroit and started it going. And he started another company, the Little Motor Car Company, named after Bill Little.

He had Louis Chevrolet design the car, and design the larger 6. Then he built the "490," which sold for \$490 in competition with the Ford, but he never sold any at that price, because Kettering got the self-starter going. They sold

it at \$550 in the United States. Mr. Durant's son-in-law, Dr. Campbell, was born in Port Perry. He was a great chum of mine for thirty-eight years until he died. When I used to go to New York I always looked him up. Mr. Durant, Mr. Hoffheimer, and some of his executives joined us one day and we lunched together at Pabst's on the Circle. Mr. Durant some time before, had acquired the Dominion Carriage plant, in West Toronto and he was turning it into a plant to make Chevrolet cars. They were busy at it right then.

#### WE START WITH CHEVROLET

Well, during the course of the meal I said, "How are you getting along with the Chevrolet car in Canada?" And Mr. Hoffheimer said, "Why don't you give that to the boys?" And Mr. Durant and I looked at each other. We knew the reason why; it was because of our contract with General Motors for Buick, while Chevrolet was an independent company. We both laughed, and he turned to me and said, "Sam, do you want it?" "Well," I said, "Mr. Durant, I have been thinking this over pretty hard. This is the kind of car that is going to sell in great quantities." I said, "Yes," I wanted it on one condition, and that is that we could sell the carriage business. "If my father isn't willing that we should dispose of the carriage business then we can't." It was a

1915

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dying business. He said, "I don't like the credit terms prevailing in the carriage business." I didn't like them either. I could see what was ahead. And he said, "How long will it take you to make up your mind." I said, "Give me two days." He said, "All right." This was Saturday morning. It rained that day, and that is why this conversation took place. That is the way lots of important things happen, just little things that occur like that. However, I got busy on the phone and got hold of George and I told him to take the first train and come. I went down to Mr. Durant's office and he got John Thomas Smith (now Vice-President in charge of the tremendous legal office of GM—we have 104 companies in General Motors) and we worked up an agreement late that afternoon. And having had experience in making the Buick contract, it wasn't so difficult although he thought we got much the better of the Buick deal.

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#### THE GREAT DECISION

George drifted in Sunday night. He travelled all day Sunday and landed in New York and came to see me. We talked on into the wee small hours, and in the morning we went over and mulled over the agreement with Mr. Durant—suggesting a couple of changes. They signed it in New York and we got on the train that night

and came home. George said, "You will have to talk to the Governor." I said, "We will both talk to him." He said, "You will have to talk to him." I said, "What is the matter?" He said, "I know him, and I can't talk to him." I said, "Neither can I." And he finally said, "You talk to him." I said, "If you feel that way, George, I will do it." George was never very strong. As a young man he was very delicate and things upset him easily. I said, "All right, I will talk to him." I went in and told him all about my visit and told him what was cooking. I said we couldn't run three businesses—the carriage business is dying, undoubtedly, and I proved it to him. I said, "If we take on the Chevrolet we would have to sell the carriage business." Well, to my very great surprise, it didn't take me two minutes to settle it with him. He said, "Sam, I am about through. George is thoroughly in accord with this?" I said, "Absolutely." I telephoned him and he came down and we reviewed it and he said, "Do what you please." We both retorted that we wouldn't do anything against his wishes; that he had started the business; there was sentiment connected with it, and we had sentiment too, but it was a dying business. I knew it absolutely, and George agreed that perhaps it was.

1915

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And so the great decision was made. When I left his office I had Jim Tudhope on the phone in ten minutes. He was President of Carriage Factories, Limited. I said, "Do you want to get rid of your largest competitor?" And he said, "Do you want to sell the business now?" They had tried to buy it many times. I said, "Yes, she is for sale if we can get quick action." He said, "What has happened?" I told him, also the basis of sale with inventory at a reasonable discount; he should take everything and pay in cash. He said he would see me at the Queen's Hotel, Toronto, tomorrow morning as soon as he could get the Directors together. He had them come there and we arrived at a tentative agreement. And they came to see us in Oshawa two days after, and we signed the documents. We started shipping stuff out inside of 24 hours. We had to finish three thousand sleighs which were under construction, but the carriage stuff was out of there within three or four weeks.

#### CHEVROLET PRODUCTION STARTS

I was looking for a bright, young fellow to remodel our plant, and looking around, whom do you suppose I picked out—our City Engineer, Col. Frank Chappell. I approached him and he agreed to join right away. It didn't take us very long to make arrangements, and as soon as he

could get an honorable discharge from the City he came to us and took hold of the plant with a will. And I think he made a world's record. We remodelled to build Chevrolet and turned out the first car in December—and this was October. I think that is going some.

When the Chevrolet Motor Car Company of Canada was formed, stock was allotted to some of my old pals of those days, to twenty of our leading employees.

#### GENERAL MOTORS COMES TO OSHAWA

Now then, we come to the biggest event of all, that is the sale of the business in 1918 to the General Motors Corporation, brought about by near expiration of the Buick contract. General Motors or the Buick Division was interested in the McLaughlin Motor Car Company. The McLaughlin Carriage Company owned control of the McLaughlin Motor Car Company. But you can't go into the motor business very quickly, and I knew that. So I had to sell George the idea of selling our business to the Corporation. You see, I was never blessed with a son and George's boys didn't want to carry on; they didn't have much interest in the business, so George didn't want to go on very much longer, I knew. I didn't care; I was young and vigorous and full of energy; but we either had to put up a very great amount



1918

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of our own money in the venture to try and make a car in Canada—and from my intimate and actual knowledge of the car business I couldn't see it—and I said to George, "We are through when this contract expires. We could go on until then, but we would then be through. I wouldn't have anything more to do with attempting to make a new car." He said, "All right." So I went down to New York and saw my confreres, Mr. Durant and Pierre Du Pont and Mr. John Raskob and told them what I had come down for. Inside of five minutes they said, "sold." I told them the basis, and so we sold the business to General Motors. They said, "We will buy it on one condition, and only one condition, that you and George will run it." "Well now," I said, "I can speak for myself but I wouldn't speak for George. I wouldn't mind it, but I know he doesn't want to carry on much longer, but I am sure he would carry on a few years." Well, that was the condition—and so they sent up their auditors and the business changed hands.

#### WIDE BENEFITS

We had in mind all the time that we had better interests to serve. As far as I was personally concerned, money never meant anything to me or to George or to my father. We never worked for money itself—no money could hire us.

I was through as far as that was concerned, because in this world you get three square meals a day and a nice bed to sleep in, and the rest is fluff. So I had in mind the fact that Oshawa had to carry on and our workmen had to have jobs. This was the best way to get jobs for them. I think that General Motors is one of the finest and greatest corporations in the world, with the finest men at the head of it—kindly, considerate, high-grade and honorable. And General Motors of Canada is in good hands. Oshawa is in good hands, in the hands of General Motors today. I can say this, that whoever succeeds me, whoever carries on as the head of the institution will be a high-grade man, an honorable man, and a credit to the institution. That is my fixed intention; that is why I have stayed so long. I should have been through long ago. But they didn't want me to quit. They left it to me.

Well now, that was a grand thing for the City of Oshawa on the day that sale was made, and the City of Oshawa and our workmen will never regret it.

In 1921 we built an engine plant at Walkerville, and we made axles there, too.

#### TRIBUTE TO ROBERT McLAUGHLIN

In that same year we experienced a great loss, our dear father. All this was in 1921. He hadn't

1921

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been very active in the business but he did love to go out to the wood shop, and he loved timber. He loved the smell of it. He loved lumber, and he knew it, too. He passed away after a very interesting life, a good life. As I have said before, he was a fine Christian gentleman. He was an elder in the Presbyterian Church and Superintendent of the Sunday School for years. He brought his children up to fear God and to observe the Sabbath, and we got it if we didn't because he was very strict. He passed away under rather trying circumstances.

But to show you the kind of man he was, and how he loved his employees and his fellow men, I want to read you a little poem which Percy Punshon wrote—he was a dear soul if there ever was one. He was the son of the Reverend Morley Punshon. The Old-Timers had given my father a birthday party in November, November 13th, 1919. All the Old-Timers were there. Here is a poem he made up himself on the occasion:

“I hope he will live to a hundred,  
And the subsequent years of his life  
Will be happy and bright—and a source  
    of delight  
And free from all shadow of strife.  
That his cup of existence hereafter  
May be over-brimming with joy—

A joy that is deeper than laughter,  
That nothing on earth can destroy.

I trust he will live to a hundred  
He has been to the friendless a friend,  
Unkindly to none, all the deeds he has done,  
Are worthy of highest commend,  
His tastes are artistic and simple,  
He loves to see children at play,  
And tonight where we meet him, we  
    joyfully greet him  
With—Happy returns of the day.

I hope he will live to a hundred,  
By sickness and sorrow untried,  
I pray that the God of his Fathers  
May be his perpetual guide.  
He has ever lived up to his motto—  
I trust you will pardon this rhyme  
That you won't I'm afraid of, but the stuff  
    he is made of—  
Is "one grade and the best every time."

*(Laughter and applause)*

This was the year that he was taken with the trouble and had to be operated on. We had two specialists down, the best we could get. After a long consultation they told us it was hopeless; that he couldn't stand the operation itself, and

1924

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that it would only be temporary relief at any rate—very tough breaking the news. He could only last three or four days more, but during those days, to show you how his mind ran and what a dear man he was, he sent for fifteen of our oldest employees with whom he had been working to come and say good-bye to him. It was a very stirring sight. I shouldn't have referred to that.

In 1924 George decided that he wanted to get through. It had been in his mind a long time. In 1924 he made the decision to cut all connection with the company. It was a very great blow to me, of course. We had worked and fought together for so many years. It left me lonesome for somebody to scrap with. But no matter how either one of us felt or how long we lived we never quarrelled. We had that agreement. And we never did.

On his retirement I looked about and decided that the growing business with its great ramifications was becoming a great load. But George's going had perhaps put the bee in my bonnet. I had wanted to ease off a little. So I went down to New York and told Mr. Sloan I wanted him to pick out another man and send him up here as General Manager. I had been telling him about Mr. K. T. Kellar; that he was overlooking him—that he was overlooking a good man in

him. And he said, "I am taking your advice; I was going to offer him a position this morning. He is here on my request. If you want him and if you think he is all right and he suits you, you take him." I said, "May I have him?" And he said, "Yes, I will have him come right up." And he came up to the lobby. I told him what was cooking—to use a slang expression—and he said, "Do you mean it?" I said, "Yes, K.T., I do." He said, "When do you want me to come?" I said, "As soon as you can conveniently arrange matters." He said, "Next Monday morning all right?" I said, "Yes." I said, "What about wages?" And he said, "I am not going up there to work for wages; I am going up for experience. You set the wages." I said, "What about so and so, would that be all right?" "All right," he said, "fine." K. T. Kellar, what a grand fellow he was. He stayed here as General Manager and Vice-President for two and a half years. Then—my dear friend Walter Chrysler was President of Chrysler Corporation. I used to see him often in New York. We were good friends. And he would say every time, "Look out, I am going to steal Kellar." I said, "You are like the devil, over my dead body." However, he did steal him; he took him over there and he is now the President of the Chrysler Corporation.

1928

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We have had different general managers since. I think we have landed a very fine specimen here in the person of Mr. Wecker. (*Applause*). I don't think there is a thing to worry about under his tutelage and under his guidance. I think he is going to be all right. He has done a good job. He did a first class job at Hayes. Harry Carmichael took him from Hayes, and when they stole Harry, we stole Wecker from McKinnon's. And there you are. It is all in the family.

In 1926 a big expansion in the plant took place. In 1928 production was the biggest we ever had, 104,000 cars. That is a lot of cars.

#### THE WAR YEARS

Now, in 1937 we were approached by the Army officials. The Army and the Government wanted to know what our attitude would be if they wanted orders of war material. I went in to talk to Harry and I told him; I said, "Harry, as far as I am concerned my attitude is—there isn't a thing this plant can do that it won't do to discharge its obligations to the country; we will do anything you want." That was in 1937, two years before the war. They took us at our word and we made about fifty "puddle jumpers" and a lot of armoured things. And then when it began to look serious they came to us and saw we were ready for them.

#### A MAGNIFICENT JOB

What we have done is a mark in the history of this country. It is remarkable what our boys have done. And I want to pay tribute right now to that staff of ours there. There isn't anybody outside of the staff who knows how those boys have worked. They don't know how they have been called upon; they don't know how long hours they have worked and what worries they have had to go through, the changes in specifications, cancellations and additions and that sort of thing. And that applies all through the organization. I want to pay tribute to them tonight. That applies, also, to the General Manager in charge, Mr. Wecker, since he joined us. I think we have a splendid organization. I shall always think of it as having done a magnificent job—not a good job, a magnificent job. They have done everything humanly possible for production which has been so essential for the successful prosecution of the war.

#### SECRET OF SUCCESS

My father was an artist. In his office was an easel. He used to paint little landscapes, and he did that all his life up to the time he died. He was artistic and he had artistic ideas, and artistic instincts. He couldn't do anything that wasn't fine.



When I was a little kid five years old and lived at Enniskillen I went into the wood shop one day and one of the wheels they used to hang up to the ceiling to dry fell down on me—and I have had wheels in my head ever since. They took me out to my father's office. I had quite a gash. And he pulled out one of those brown striped humbug candies, and the pain stopped mighty quick.

Now, why did that little shop in Enniskillen succeed; why did it carry on? It is a hard thing to answer, yet it is an easy thing. My father undoubtedly was a genius; he had ability; he was a fine worker. His ideals were so that he wanted the best and finest and nothing was touched or turned out any other way. Anyone who makes a mousetrap better than anyone else will have a path made to his door. And that is about the way this thing turned out.

We have asked Dun & Bradstreets to tell us how many manufacturing businesses succeed. Only 7.2 percent of all manufacturing companies that start out live *six years*.

#### A HAPPY ASSOCIATION

Mr. Chairman, I have not given you any philosophic address, nothing on economics, nothing on politics, and I had no intention of doing so. I thought perhaps that you and your wonderful audience here might be interested in learning a

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few of the little things which have cropped up or which have happened in connection with your business. It is Oshawa's business; it is not mine. I have some shares in General Motors Corporation the same as you or anybody today, if you want to buy them, but it is your business. I have been staying here because I love it, because I like the associations and the people at the head; because I could do the town and the country some good. That is why I am staying. I don't know how much longer I am staying. If I am blessed with good health and they want me to carry on in a limited capacity for some time, why, all right. If I get in the way, if I am in anybody's road, I am through. I want you all to share in everything I have done. I have tried to keep the interests of my home town at heart.

I came here when I was five, in 1876, and I have been in Oshawa sixty-eight years. I love the old town, the old place, and anything I can do for it you bet I am going to do it.

I am very happy that you have seen fit to give this demonstration. I take it, of course, largely as a compliment to my dear and revered father, and to my brother, and partially to myself. It was very kind of you to think of it. I don't know how I can ever thank you sufficiently. I certainly shall never forget it. Thank you.

*(Prolonged applause)*



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